

Attachment 1

SUGGESTED ANNOUNCEMENT

NOTICE TO EMPLOYEES

SUBJECT: 2002 Health Benefits Open Season

The Federal Employees Health Benefits (FEHB) open season is November 11 through December 9, 2002. Your current health plan will send you a copy of its brochure and a notice of its 2003 rates before open season begins. Be sure you review the section of the brochure that describes how benefits have changed for 2003.

During open season, any eligible employee who is not currently enrolled may enroll, and any eligible enrollee may change from one plan or option to another, from self only to self and family, or make a combination of these changes. In addition, open season allows employees to change their premium conversion election. An eligible employee who enrolls in FEHB may elect to participate or to waive participation in premium conversion. An eligible enrollee may elect to begin participation if they have previously waived, or waive participation.

Enrollees who wish to continue their current FEHB enrollments and premium conversion elections do not need to take any action during this open season. **However, enrollees whose plans will not be participating in the FEHB Program after December 31, 2002, or whose plans dropped the enrollment code they are enrolled in, MUST enroll in a different plan to continue FEHB coverage in 2003.** (See attached lists of terminating plans and codes.) *[If you do not attach the list, include the names of the terminating plans within the text of your announcement.]*

Types of Plans Available Under the FEHB Program

Managed Fee-for-Service Plans

These plans reimburse you or your health care provider for covered services after you receive the service. If you enroll in one of these plans, you may choose your own physicians, hospitals, and other health care providers.

These plans are considered "managed" because they all contain features such as pre-certification of hospital admissions and utilization review of ongoing care. In addition, most of the fee-for-service plans have preferred provider arrangements in many parts of the country. You can reduce your out-of-pocket expenses and, in some cases, receive enhanced benefits by using preferred providers.

Fee-for-service plans include the Blue Cross Blue Shield Service Benefit Plan and plans sponsored by unions and other employee organizations. Several employee organization plans are open to all eligible employees who are full or associate members of the organizations that sponsor the plans. Other employee organization plans are restricted to certain groups and/or agencies.

(See the employee organization plan brochures for information about membership requirements and membership dues, which are in addition to your biweekly or monthly premiums)

Health Maintenance Organization Plans (HMOs)

These plans provide a comprehensive array of medical services, emphasizing prevention and early detection of disease, through contracted physicians, hospitals, and other providers in particular locations.

Each HMO is open to employees within the plan's enrollment area. You cannot enroll in an HMO if you are located outside its enrollment area. Refer to the plan's brochure if you have any questions about the enrollment area. **If you are enrolled in an HMO, be sure to review the brochure carefully to see if there are any changes in the plan's service area, which would require any action on your part.**

Plans Offering a Point of Service (POS) Product

Some FEHB plans combine their features. A number of fee-for-service and HMO plans offer two forms of health care delivery, known as "in network" and "out of network."

In an HMO that offers a POS product, the POS product acts like a fee-for-service plan. The HMO enrollees may use non-affiliated (out of network) providers if they wish, but the services will cost them more--in terms of deductibles and coinsurance--than if they used plan providers.

In a fee-for-service plan with a POS product, the POS product acts like an HMO. If they agree to let their medical care be managed by in network physicians, plan enrollees will get a **better** benefit, usually in the form of richer benefits and lower copays or coinsurance.

If you are considering enrolling or making an enrollment change, contact *[location]* to obtain a copy of the 2003 Guide to Federal Employees Health Benefits Plans (FEHB Guide). The FEHB Guide contains a comparison chart that gives general information about each plan. The Guide also shows the biweekly and monthly premium rates, as well as the accreditation status of those plans that took the initiative to seek review by the National Committee for Quality Assurance (NCQA), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and/or American Accreditation

Healthcare Commission (URAC).

Do not rely solely on the FEHB Guide when deciding whether to enroll or change enrollment to a specific plan. If you decide you are interested in making an enrollment change after reviewing the FEHB Guide, you should consult the plan's brochure for a complete description of benefits. Brochures for all plans will be available for your inspection at *[location]*.

Internet Availability

If you have access to the Internet, you should know that all 2003 FEHB Guides and health plan brochures will be available from the Office of Personnel Management's (OPM) web site (<http://www.opm.gov/insure>). The Guides and brochures will be available in PDF format for downloading and printing, as well as a text version suitable for the visually impaired. The web site will contain links from the Guides and brochures to health plan web sites for information about the plans, as well as links to other related web sites.

How to Enroll or Make an Enrollment Change During Open Season

Employees who wish to enroll or change their FEHB enrollment must complete a Health Benefits Registration Form [Standard Form (SF) 2809]. These forms are available from the *[name and room number of appropriate office]* and must be completed and submitted to that office before the close of business on the last day of open season. You may also obtain the SF 2809 from the OPM web site.

Employees who wish to change their premium conversion election must complete a FEHB Premium Conversion Waiver/Election Form. You should make desired enrollment changes as early as possible during open season to ensure timely processing.

[Agencies whose employees have access to Employee Express should provide information to their employees about using the system to make open season changes.]

New enrollments, changes to current enrollments, and changes to premium conversion elections made during open season generally will become effective the first day of the first pay period beginning on or after January 1, 2003. If you change plans, any covered expenses incurred between January 1, 2003, and the effective date of the open season change will count toward the 2002 deductible of the plan you are changing from.

Information that you provide by enrolling in the Federal Employees Health Benefits Program may be used for computer matching with Federal, state, or local agencies' files to determine whether you qualify for benefits, payments, or eligibility in the Federal Employees Health Benefits Program, Medicare, or other Government benefits programs.

Temporary Continuation of Coverage (TCC)

If you have FEHB coverage and leave Federal employment, you will usually be eligible for up to 18 months of TCC (unless you are separated for gross misconduct). TCC can continue for up to 36 months for dependents who lose eligibility as family members under your enrollment. This includes spouses who lose coverage because of divorce and children who lose coverage because they marry or reach age 22.

TCC enrollees must pay the total plan premium (without a Government contribution) plus a 2% charge for administrative expenses. There are specific periods within which you or your dependent must enroll for TCC. Contact your personnel office for a copy of RI 79-27 for more information.

Important: You must exhaust TCC eligibility as one condition for guaranteed access to individual health coverage under the Health Insurance Portability and Accountability Act.

PATIENT SAFETY

Medical error and patient safety are not well understood by most Americans. Every hour, many Americans die in a hospital due to avoidable errors, and others become disabled. Many patients get the wrong medicine, tests, and/or diagnosis. By asking questions, learning more, and understanding your risks, you can improve the safety of your health care, and that of your family members. We are asking that enrollees take steps safer health care. We have attached a copy of the “Five Steps to Safer Health Care.”

FEDERAL LONG TERM CARE INSURANCE PROGRAM (FLTCIP) OPEN SEASON

FEHB Plans do not cover long term care. You can protect yourself against the high cost of long term care by applying for insurance in the Federal Long Term Care Insurance Program (FLTCIP). Open Season to apply for coverage ends on December 31, 2002. There are several advantages to applying during Open Season:

- You and your spouse need only answer a few questions about your health during Open Season. You can still apply after Open Season, but you will have to answer more health-related questions.
- Your premiums are based on your age as of July 1, 2002. After Open Season, your premiums are based on your age at the time LTC Partners receives your application.

FEHB plans do not cover the cost of long term care! Long term care insurance is designed to help cover the cost of services for people needing assistance with activities of daily living (custodial care), such as eating, dressing, and bathing, or who have a severe cognitive impairment

such as Alzheimer's disease. Care can be received at home, an adult day care center, a hospice, an assisted living facility, or a nursing home.

Your qualified relatives are also eligible to apply for coverage. This includes your current spouse, adult children, parents, parents-in-law, and stepparents.

Unlike other benefit programs, you have to take action – you won't receive an application automatically. You must request one through the toll-free number or website listed below.

The FLTCIP web site, www.ltcfeds.com, offers online applications, an interactive calculator to provide customized price quotes based on age and choice of benefits, and educational resources about long term care and long term care insurance. You may also call 1-800-LTC-FEDS (1-800-582-3337); (TDD for the hearing impaired: 1-800-843-3557) to speak to a certified long term care insurance specialist.

Act now so you won't miss the abbreviated underwriting available to employees and their spouses, and the July 1 "age freeze". Order an Open Season Information Kit with application today!

{End sample announcement}